

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-011, NM Stabilization and Disposition – PFP

Allocated Fee: \$54.8M of the fee available in Contract B.4

**Performance Objective 1: Complete Pu Stabilization and Packaging, legacy Pu holdup removal and PFP de-inventory by 30 September 2006
\$24M of the fee available in Contract B.4**

Performance Objective 1a: Complete stabilization & packaging of DNFSB 2000-1 Pu bearing materials by 18 February 2004. COMPLETE

- 1) Increments as follows:
 - a) \$2.5 M for 9 increments of 500 items and 1 increment of 166 items of polycubes and oxides stabilized and packaged. **COMPLETE**
 - b) \$1.0M upon completion of all polycubes. **COMPLETE**
 - c) \$5.0M upon completion of all stabilization and packaging of Pu bearing materials by 18 February 2004. **COMPLETE**

Performance Objective 1b: Complete the deinventory of the PFP DOE-STD-3013 containers and unirradiated fuel by shipping them to Savannah River or other approved location by 30 September 2006.

- 1) \$1.0M may be earned as progress payment for initial shipment to SRS
- 2) \$3.8M may be earned as progress payment in 8 equal increments for 3013 containers shipped and 2 equal increments for un-irradiated fuel pins and assemblies shipped to SRS.

Completion Criteria:

- A SNM shipment is considered complete when the shipment leaves the PFP PA either by SST or commercial shipment.

Assumptions:

- None identified.

Government Furnished Services/Items:

- DOE will provide authorization to allow shipment of Hanford Pu to SRS to begin by 30 August 2004
- Minimum of 32 SST convoys (3 SSTs per convoy at a rate of 18 convoys between FY 2004 and FY 2005, and 14 convoys in FY 2006) for PFP de-inventory by 15 September 2006 not to exceed more than 3 convoys in one month.
- DOE will provide authorization to allow shipment of un-irradiated fuel pins and assemblies including contaminated driver fuel assemblies in MFFPs to SRS by 30 September 2005. This does not include NRC approval of PFP payload in MFFP SARP.
- SRS will empty MFFP shipping casks and make available for return to Hanford.

Performance Objective 1c: Remove and disposition plutonium holdup in process equipment at PFP by 30 September 2005

- 1) \$6.8M may be earned as provisional payment in 10 increments of 10% Pu holdup removed and dispositioned. Provisional payment converts to progress payment upon completion of Pu holdup removal and disposition by 9/30/05. Increments payable as follows:
 - a) 10 increments of 10% of Pu holdup removed and dispositioned.
 - i) Increment 1-2 at \$1M each. **(COMPLETE)**
 - ii) Increment 3-6 at \$0.6M each.
 - iii) Increment 7-10 at \$0.6M each.

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Completion Criteria:

- 1) Legacy holdup removal is considered complete when sufficient plutonium holdup has been removed and dispositioned such that the remaining legacy plutonium does not require protected area controls. Disposition is complete when the plutonium has been either stabilized and packaged to meet DOE-STD-3013 and placed in vault storage, or has been prepared and packaged for disposal at WIPP in accordance with Hanford Solid Waste Acceptance Criteria (which incorporates the WIPP Waste Acceptance Criteria), or removed from the PFP protected area, or removed from the Material Control and Accountability (MC&A) records.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1d: Disposition miscellaneous nuclear materials stored at PFP

- 1) \$1.5M may be earned as progress payment in 3 increments as follows:
 - a) 1 increment of \$0.5M for initial shipment of miscellaneous nuclear material
 - b) \$1M in 2 increments of \$0.5M for disposition of each 50% of remaining miscellaneous nuclear materials

Completion Criteria:

- Materials to be dispositioned are the following at PFP as of 1 May 2004:
 - HEU fuel pins
 - Sodium bonded fuel
 - Potentially NaK bonded fuel
 - Pu-Be sources
 - Am-Be sources
 - Pu-238 sources
 - Surplus californium items
 - Surplus thorium items
 - Surplus strontium items
 - Surplus neptunium items
 - Surplus selenium items
 - Surplus rubidium items
 - Surplus uranium items (excluding U-233)
 - Surplus U-233 items
 - Surplus americium items (excluding Am-Be)
 - Sources/standards not needed to support D&D of PFP
- Disposition of the nuclear material listed above is considered complete when the materials/fuel have been removed from the Protected Area and dispositioned as waste or shipped to another site/facility. Sources and standards that are needed for D&D are not included.

Assumptions:

- None identified

Government Furnished Services/Items:

- None identified

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Performance Objective 1e: Remove remaining SNM from PFP such that safeguards and security controls for a protected area are no longer required.

- 1) \$2.4M may be earned as progress payment in 3 increments as follows:
 - a. \$1M upon completion of shipment of LAMPRE fuel,
 - b. \$1M upon completion of shipment of slightly irradiated FFTF fuel
 - c. \$0.4M upon completion of removal of remaining SNM from PFP such that special access and safeguards and security controls for the PFP protected area are no longer required as determined by a security risk assessment or equivalent. Limited area “islands” will be used and are acceptable for the protection of information and any remaining SNM at PFP.

Completion Criteria:

- Shipment of LAMPRE and slightly irradiated fuel is considered complete when the shipment leaves the PFP PA and accountability is transferred to the receiving organization. Removal of remaining SNM from PFP is complete when special access and safeguards and security controls for the PFP protected area are no longer required as determined by a security risk assessment or equivalent. Limited area “islands” will be used and are acceptable for the protection of information and any remaining SNM at PFP. Provide documentation showing that the remaining nuclear material at PFP no longer requires a protected area per the DOE Orders. Actual elimination of the PFP PA controls is not required as part of this performance incentive.

Assumption

- None identified

Government Furnished Services/Items

- Approved Safeguards and Security waivers for the CSB as follows: 1) protected area, 2) secondary alarm station, and 3) material control and accountability associated with the storage of Category I special nuclear materials within 90 days of submittal.

**Performance Objective 2: Demolish PFP consistent with the Action Memoranda (AM)
\$30.797M of the fee available in Contract Clause B.4**

Performance Objective 2a: Transition facilities at PFP per the PFP Complex End Point Criteria and in accordance with applicable TPA milestones

- 1) \$0.5M may be earned as progress payments in 2 equal increments of \$0.25M each upon demolition of ten PFP facilities at PFP to slab-on-grade by 30 September 2005.
- 2) \$2.0M may be earned as progress payments upon demolition of the highly contaminated 232-Z Pu waste incinerator facility to slab-on-grade by 31 March 2006.

Completion Criteria:

- 1) Transition of facilities is complete when the facility specific end point criteria have been met and signed off as complete except the contamination control cap may be omitted provided contamination control is provided per Hanford Site criteria. Omission of the contamination control cap allows the economical installation of final contamination control caps at the end of the project. The 10 facilities to be transitioned are MO-834, MO-839, MO-264 (excessed), 234-ZB, 234-ZC, 241-ZB, 2731-Z, 2735-Z, 2902-Z, and 2904-ZA. Substitution of other buildings on the DOE-HQ gold metrics nuclear facilities list is allowed for the listed facilities not required to be removed for Design Basis Threat requirements.

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- 2) Transition of 232-Z is complete when the facility specific end point criteria have been met consistent with the Action Memorandum and signed off complete except the contamination control cap may be omitted provided contamination control is provided per Hanford Site criteria.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2b: Complete decontamination or removal of the highest hazard Pu process and waste handling equipment and systems by 30 September 2006

- 1) \$3.6M may be earned as progress payment upon isolation of the 241-Z high-level waste storage tank facility from the underground transfer line to Tank Farms in accordance with TPA milestone M-83-31 by 30 June 2005.
- 2) \$0.3M may be earned as progress payment upon transition of the 241-Z/ZA high-level waste storage tank facility to demolition ready by 30 September 2006.
- 3) a) \$3.0M may be earned as progress payment upon removal or decontamination to low-level waste criteria pencil tanks in the highly contaminated 236-Z Pu Reclamation Facility by 30 September 2006. Fee is payable in 4 increments of 11 pencil tanks each. Increments 1-2 at \$1M each. Increments 3-4 at \$0.5M each.
b) \$2.5M may be earned as progress payment in 2 increments upon removal or decontamination to low-level waste process equipment in the highly contaminated 236-Z Pu Reclamation Facility by 30 September 2006, as follows:
 - i) \$1.0M upon completion of removal or decontamination to low-level waste process equipment in room 50 and 60
 - ii) \$1.5M upon completion of removal or decontamination to low-level waste of the remaining process equipment
- 4) \$16M may be earned as 10 equal payments in 10% increments for removal or decontamination to low-level waste criteria of 189 Pu contaminated gloveboxes and hoods in 234-5Z Pu processing facility by 30 September 2006. First five increments will be provisional payments and the 2nd five increments will be progress payments. Provisional payments convert to progress payment upon completion of the 5th increment.
- 5) \$2M may be earned as progress payment, in 2 increments as follows:
 - a) \$0.5M for initial entry and characterization of 242-Z
 - b) \$1.5M upon completion of the clean out of Pu and Americium contaminated gloveboxes and contaminated chemical processing tanks in the highly contaminated 242-Z Americium extraction facility if completed by 30 September 2006
- 6) \$0.297M may be earned as progress payment for completion of Area 6.I, Chemical Make-up Rooms 336 & 337 (23 chemical storage tanks) under the original PI. – **COMPLETE**.
- 7) \$0.1M may be earned as progress payment upon completion of size reduction and disposition or decontamination of LLW HA-20MB glovebox by 31 March 2006.
- 8) \$0.5M may be earned as progress payment upon disposition of approximately 600 contaminated plutonium nitrate solution storage containers located at PFP by 30 September 2006. Fee is payable in 4 increments of 25% at \$0.125M per increment.

Completion Criteria:

- 1) 241-Z isolation is complete when the TPA milestone has been met.
- 2) 241-Z/ZA is considered ready for demolition when the facility has been isolated from Tank Farms and

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all incoming feeds, waste tanks and associated piping within the vaults have been dispositioned in accordance with the 241-Z/ZA Closure Plan or EE/CA and Action Memorandum, contamination has been fixed, all utilities have been isolated, and permits are in place to initiate demolition of the above grade structure. The final filters and stack may remain operational in support of surveillance and maintenance and demolition activities.

- 3) 236-Z
 - a) 236-Z Pencil tank removal or decontamination is considered complete when pencil tanks have been removed or decontaminated to LLW criteria. Resultant waste has been packaged and dispositioned per the Hanford Waste Acceptance Criteria.
 - b) 236-Z Process Equipment is considered complete when gloveboxes, tanks, pipes, and ducts that were designed as primary confinement of plutonium have been removed or decontaminated to LLW criteria for removal as part of the building rubble to be dispositioned at ERDF as low-level waste or per agreed upon endpoint. The final filters and stacks may remain operational in support of surveillance and maintenance and demolition activities.
- 4) 234-5Z Glovebox and hood removal is considered complete when the glovebox and hood have been removed and dispositioned as waste per the Hanford Waste Acceptance Criteria or the glovebox and hood and remaining equipment and components inside the glovebox and hood have been determined to be LLW.
- 5) 242-Z Cleanout
 - a) Initial entry and characterization is considered complete when the initial entry is made, safety system conditions are identified and safety systems are confirmed to be operable or made operable
 - b) 242-Z Cleanout is considered complete when chemical feed lines are gravity drained to where they enter the glovebox/process tank, tanks meet the RCRA definition of "empty," and gloveboxes have had SNM and ion exchange columns removed to allow the glovebox to be size reduced for later disposal.
- 6) Chemical Make-up Rooms 336 & 337 are considered complete per the completion criteria in Performance Incentive S-5, 6.I, as transmitted in contract modification 166. COMPLETE.
- 7) HA-20MB glovebox is complete when the HA-20MB Closure Plan has been met.
- 8) Solution Storage container disposal is considered complete when all used plutonium solution containers at PFP have been packaged and dispositioned per the Hanford Waste Acceptance Criteria and removed from the PA.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None Identified.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date

K.A. Klein, Manager
Richland Operations Office

Date

DUPLICATE
ORIGINAL

FY 2005 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0 August 9, 2005

PBS: RL-0020, Safeguards and Security

PBS: RL-0011-A, NM Stabilization and Disposition - PFP

Allocated Fee: \$7.0M of the fee available in Contract Clause B.4

Performance Objective 1: Execute Hanford's Security Enhancement Project, leading to construction and loading of an Interim Secure Storage Facility (241-Z) and installation of security enhancements to ensure compliance with the 2004 Design Basis Threat before September 2008

Performance Objective 1a: Develop and implement provisions for Interim Secure SNM Storage by 30 September 2006

\$1.5M may be earned as follows:

- 1) \$0.25M may be earned as provisional payment upon completion of conceptual design for a compliant storage facility.
- 2) \$0.25M may be earned as provisional payment for submittal of preliminary safety basis documentation (PDSA) in support of the Interim Secure Storage Facility (ISSF)
- 3) \$0.25M may be earned as provisional payment for submittal of project NEPA documentation.
- 4) \$0.25M may be earned as provisional payment for completion of detailed design sufficient to initiate construction modifications.
- 5) \$0.50M may be earned as progress payment for formal turnover of the facility for construction, and items 1 through 4 convert to progress payment upon the successful completion of item 5.

Completion Criteria:

- 1) Conceptual engineering is complete when a conceptual design report is transmitted to RL.
- 2) Preliminary DSA submittal to RL.
- 3) Draft NEPA submittal to RL.
- 4) Completion of detailed design for the ISSF to support preparation of a construction statement of work.
- 5) A letter will be submitted to RL documenting the transfer of the facility from D&D to construction, including but not limited to Professional Engineer (PE) and operator certifications for RCRA Closure.
- 6) Payment of fees for items 1 through 5 above will only be made upon RL's determination that FHI's submissions are of an acceptable quality.

Assumptions:

- None Identified.

Government Furnished Services/Items:

- None Identified.

Performance Objective 1b: Facility clean-out and tank removal by 30 September 2006

\$5M may be earned as progress payment as follows:

- 1) \$2.5M may be earned in five (5) equal increments of \$500K for completion of the cell preparation phase for each of 5 cells
- 2) \$2.5M may be earned in five (5) equal increments of \$500K for the tank removal phase for each of 5 tanks.

Completion Criteria: 1) The cell preparation phase is complete when the cells are characterized, debris has been removed from cells, utilities have been isolated, process piping, chemical piping, waste and product transfer piping, conduits, and other obstructions have been removed

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Rev. 0 August 9, 2005

PBS: RL-0020, Safeguards and Security

PBS: RL-0011-A, NM Stabilization and Disposition - PFP

Allocated Fee: \$7.0M of the fee available in Contract Clause B.4

to allow the tanks to be lifted out of the cells, piping has been checked for residual hazards, a plan is in place for the disposition of the tanks, and a contractor activity-based management review has been conducted verifying readiness to initiate tank removal activities. Excluded from the preparation phase is demolition of the sheet metal structure over 241-Z and removal of the cell cover blocks. Cell preparation will be done in accordance with the RCRA Closure and CERCLA Above Grade Structures Action Memorandum and Work Plans. Disposition of tanks, piping and other waste is not part of the Security Enhancement Project scope; critical waste streams generated by this activity are incentivized under other PBSs.

- 2) The tank removal phase is complete when the cell cover blocks have been removed, waste tanks have been removed, process piping, chemical piping, waste and product transfer piping has been removed back to the cell walls or verified as empty, loose debris and waste has been removed, contamination has been fixed sufficiently to allow cell entry without respiratory protection, and the 241-Z facility is in a condition consistent with the construction contract Statement of Work existing conditions and PE and operator certifications for RCRA Closure activities have been completed. Actions taken to complete this work scope will be in accordance with the 241-Z RCRA Closure Plan and the CERCLA Above Grade Structure Action Memorandum and Work Plans. Non-process piping and components, conduits, access platforms, and above grade components may remain as long as they do not present significant safety or radiological contamination concerns and provided they will not prevent PE certification of RCRA closure activities or interfere with future modification activities. The 241-Z exhaust system may remain to support contamination control if required. Disposition of tanks, piping and other waste is not part of the Security Enhancement Project scope; critical waste streams generated by this activity are incentivized under other PBSs.

Assumptions:

- None Identified.

Government Furnished Services/Items:

- DOE will allow staff transferring to PFP escorted access within the protected area pending security clearances.

Performance Objective 1c: Security Enhancements

\$0.5M may be earned as progress payment as follows:

- 1) \$0.5M may be earned in five (5) equal increments for demolition of five (5) DBT related ancillary facilities.

Completion Criteria:

- 1) The five (5) DBT facilities to be demolished will be identified by RL in a letter of direction to be provided no later than October 31, 2005. The letter of direction will also include appropriate completion criteria for the specific facilities identified.

Assumptions:

- None Identified.

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Rev. 0 August 9, 2005

PBS: RL-0020, Safeguards and Security

PBS: RL-0011-A, NM Stabilization and Disposition - PFP

Allocated Fee: \$7.0M of the fee available in Contract Clause B.4

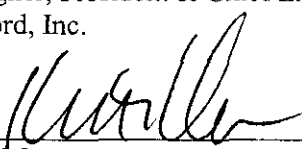
Government Furnished Services/Items:

- DOE will allow staff transferring to PFP escorted access within the protected area pending security clearances.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date



K.A. Klein, Manager
Richland Operations Office

Date

9/7/05

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-012, SNF Stabilization and Disposition

Allocated Fee: \$46.7M of the fee available in Contract Clause B.4

Performance Objective 1: Deactivate and Remove K Basins

Performance Objective 1a: Remove SNF from K Basins

\$9.0M of the fee available in Contract Clause B.4

Removal of the K-East Basin fuel enables removal of associated sludge and water, thus eliminating a major environmental risk to the Columbia River. Removal of the fuel from K-West Basin to the 200 Area Plateau moves highly radioactive material away from the river and enables the K-West Basin to be decommissioned, thus reducing the risk of contaminant release to the environment in the event of a basin leak.

- 1) \$2.0M may be earned as provisional payment in 10 Increments of 360 fuel canisters transferred from K-East to K-West as follows:

- a) Increment 1-2 at \$500K each. **COMPLETE**
- b) Increment 3-6 at \$200K each. **COMPLETE**
- c) Increment 7-9 at \$50K each **COMPLETE**
- d) Increment 10 at \$50K each

This provisional payment shall convert to progress payment upon completion of permanent removal of water from K-East Basin by 31 January 2006.

- 2) \$5.0M may be earned as progress payments in 9 increments of 113 MTHM and 1 final increment of remaining MTHM of SNF moved from K-West.

- a) Increments 1-7 at \$500K each. **COMPLETE**
- b) Increments 8-10 at \$500K each

- 3) \$2.0M may be earned as progress payments in 4 increments of 80 MCOs and 1 final increment of 80 plus MCOs welded and stored in CSB in final configuration.

- a) Increments 1-2 at \$400K each. **COMPLETE**
- b) Increments 3-5 at \$400K each.

Completion Criteria:

- 1) All spent nuclear fuel removed from the K-East Basin (excluding fuel fragments that may be discovered during subsequent sludge removal).
- 2) All spent nuclear fuel removed from the K-West Basin (excluding fuel fragments that may be discovered during subsequent sludge removal).
- 3) MCOs stored in Canister Storage Building, welded and in final configuration ready for transfer to national geologic repository. Included are only the MCOs containing K Basins fuel and the Shippingport Spent Fuel Containers (SSFCs) containing the Shippingport PWR fuel removed from T-Plant. Excluded is the final welding of the MCOs designated in the MCO Monitoring Plan, SNF-5536, for long-term monitoring.

Assumptions:

- None identified

Government Furnished Services/Items:

- None identified

Performance Objective 1b: Remove and Treat K Basin Sludge

\$20M of the fee available in Contract Clause B.4

- 1) \$4M may be earned as progress payment upon transfer of K-East sludge into containers in K-West by 31 July 2005, linearly decreasing to \$0 by 30 October 2005. The K-East Basin has leaked in the past, resulting in releases to the soil column only 400 feet from the Columbia River. Removing the sludge from K-East and transferring it to containers in K-West will allow for expedited D&D of the K-East Basin and elimination of the mobile source term (i.e., contaminated water, unfixed contamination on structures and equipment) within the K-East Basin.

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PBS: RL-012, SNF Stabilization and Disposition

Allocated Fee: \$46.7M of the fee available in Contract Clause B.4

- 2) \$2M may be earned as a progress payment upon the retrieval and treatment of 1 m³ of sludge to a WIPP certifiable waste form.
- 3) \$4M may be earned in two equal increments upon removal of found fuel and fuel scrap from K Basins. Removal of fuel pieces found during sludge containerizations allows for the basins water to be removed and the basins to undergo D&D.
 - a) \$2M may be earned as provisional payment upon transfer of found fuel and fuel scrap from KE to KW by 31 July 2005.
 - b) \$2M may be earned as progress payment and the provisional payment shall convert to progress payment upon removal of found fuel and fuel scrap from KW by 30 September 2006.
- 4) \$10M may be earned as progress payment upon commencement of floor and canister sludge treatment into the current draft WIPP certifiable waste form by 30 March 2006, linearly declining to \$8M on 30 September 2006. Accelerates sludge treatment by over 12 years and eliminates long term storage and processing at T-Plant and the associated costs and risk of release. Allows for earlier closure of T-Plant.

Completion Criteria:

- 1) Sludge removed from K-East Basin as required to allow removal of the basin as a low-level waste (consistent with sludge end-point criteria contained within HNF-20632 [draft] "End-Point Criteria for K Basin Interim Remedial Action").
- 2) An initial quantity of sludge will be retrieved from K Basins and treated to a waste form "certifiable" under the WIPP WAC.
- 3) Found fuel and scrap removed from K Basins packaged in MCOs, and the loaded MCOs processed through the CVD facility and shipped to the CSB.
- 4) Sludge treatment is considered to have commenced following processing of the first 50 remote handled waste packages into a waste form that is certifiable under the draft RH-TRU WIPP WAC. The sludge treatment systems are capable of treating each sludge form.

Assumptions:

- None identified.

Government Furnished Services/Items:

- Review and respond to MC&A Plan and Deviation Request for the current sludge disposition path within 45 days of submittal.

**Performance Objective 1c: Deactivate, Immobilize or Encapsulate, De-water, and Remove K-East Basin; and initiate Deactivation and Removal of K-West Basin
\$17.7M of the fee available in Contract Clause B.4**

- 1) \$3M may be earned as provisional payment upon completion of permanent water removal from K-East Basin, payable in 2 increments as follows:
 - a) \$1M may be earned as provisional payment for risk reduction achieved by initiating permanent water removal from the K-East Basin.
 - b) \$2M may be earned as provisional payment upon completion of permanent water removal from K-East Basin.The provisional payment shall convert to progress payment upon completion of Performance Objective 2b below.
- 2) \$3.2M may be earned as progress payments for removal, immobilization or encapsulation of K-East Basin contamination as follows:
 - a) \$1M may be earned upon achievement of risk reduction by immobilizing or encapsulating the construction joint, the location of past basin water leakage, in the K-East Basin Discharge Chute by 30 December 2004.

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- b) \$2.2M may be earned upon decontamination or immobilization of contamination, and encapsulation of all 3 K-East Basin Bays by 28 February 2006.
- 3) \$7.5M may be earned as progress payment upon completion of removal and transport of the K-East Basin to ERDF payable in 3 increments as follows:
 - a) \$1M may be earned for removal of K-East Basin superstructure by 30 June 2006, linearly decreasing to \$0 by 31 July 2006.
 - b) \$1M may be earned for removal of the first encapsulated K-East Basin section by 31 July 2006, linearly decreasing to \$0 by 31 August 2006.
 - c) \$5.5M may be earned for removal of the final K-East Basin sections to ERDF by 30 September 2006.
- 4) \$4M may be earned as progress payment upon removal, encapsulation or immobilization of K-West Basin contamination, payable in 3 increments as follows:
 - a) \$1M upon immobilization or encapsulation of the K-West Basin discharge chute and associated water removal by 31 December 2005.
 - b) \$1M upon removal of contaminated Fuel Canisters to support technical basis for D&D from the K-West Basin (source term and risk reduction) by 31 January 2006, linearly decreasing to \$0 by 1 March 2006.
 - c) \$2M upon decontamination or immobilization of 7,600 ft² of the K-West Basin walls by 31 August 2006, linearly decreasing to \$0 by 30 September 2006.

Completion Criteria:

- 1) Water from K-East Basin removed and transferred to the 200 Area Effluent Treatment Facility (ETF) or equivalent approved disposition.
Water removal is completed when the last tanker truck leaves the K Basins for ETF or other permanent removal disposition.
- 2) K-East Basin debris and contamination removed or immobilized, only to the extent necessary to meet ERDF WAC, (consistent with basin end-point criteria contained within HNF-20632 [draft] "End-Point Criteria for K Basin Interim Remedial Action").
 - a) Immobilization or encapsulation of K-East Basin discharge chute is completed when concrete/grout placement is complete and cured for 7 days.
 - b) Immobilization or encapsulation of all 3 K-East Basin bays is complete when concrete/grout placement is complete and cured for 7 days.
- 3) K-East Basin removed and transported to the Environmental Restoration Disposal Facility (ERDF), consistent with existing CERCLA Records of Decision.
 - a) Completion of superstructure removal is when K-East superstructure is demolished and delivered to ERDF for subsequent disposal.
 - b) Removal of the K-East Basin sections is initiated by the removal of the first section and delivery to ERDF.
 - c) Completion is when the last K Basin section is delivered to a suitable location at ERDF. Only the engineered structures will be removed; the excavation at 105-K-East will not be backfilled.
- 4) Removal, encapsulation or immobilization of K-West Basin.
 - a) Immobilization or encapsulation of K-West Basin discharge chute is completed when concrete/grout placement is complete and cured for 7 days. Water removal from the K-West Basin is initiated when the first water tanker truck is filled and shipped to ETF or other permanent removal disposition.
 - b) Contaminated fuel canister removal is completed when sufficient canisters have been removed to allow K Basin encapsulation to meet ERDF WAC.
 - c) Decontamination of basin walls shall be considered earned upon completion of 7,600 ft² of the circumferential surface area. Area decontaminated must be sufficient to allow K Basin dewatering

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Allocated Fee: \$46.7M of the fee available in Contract Clause B.4

to support D&D. Walls to be decontaminated to approximately the same level around the circumference to support subsequent lowering of water level.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date

K.A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-013-1 Solid Waste Stabilization and Disposition – 200 Area (TRU Shipment)

Allocated Fee: \$13.5M of the fee available in Contract Clause B.4

Performance Objective 1: Reduce the risk of continued interim storage by shipping TRU waste for permanent disposal in the geologic repository
\$13.5M of the fee available in Contract Clause B.4

Performance Objective 1a: Ship TRU to WIPP

\$13.5M may be earned as progress payment as follows:

- 1) \$0.8M for shipment of 256 m³ of TRU waste (COMPLETE)
- 2) \$11.2M for shipment of an additional 2144 m³ of TRU waste in 8 increments of 268 m³ of TRU waste.
- 3) An additional \$0.5M may be earned as progress payment if 2,400 m³ of TRU waste cumulatively is completed by 31 March 2006, linearly declining to \$0 on 30 June 2006.
- 4) \$1M for shipment of an additional 500 m³ of TRU waste (2,900 m³ of TRU waste cumulatively) by 30 September 2006.

Completion Criteria:

- Ship TRU to WIPP
 - Shipment is defined as complete upon departure of the waste from the Hanford Site. Transportation may be accomplished either by truck or rail.
 - If volume reduction is utilized for packaging of the TRU waste, the pre-packaging volume may be utilized for completion of this Performance Incentive. For example, if five 55-gallon drums of transuranic waste are compacted and packaged in an 85-gallon over-pack drum, then one cubic meter of transuranic waste may be counted for certification.
 - Meet all acceptance criteria for WIPP.
 - One cubic meter (m³) of TRU is defined as five 55-gallon drums or three 85-gallon drums.
 - One standard waste box is defined as 1.8 m³ of TRU.

Assumptions:

- None identified.

Government Furnished Services/Items:

- DOE provides TRUPACT shipping casks, trailers, drivers, TRUPACT spare parts to perform an average of 8 shipments per month in FY 2004 with a maximum of 16 and an average of 18 shipments per month in FY 2005 and FY 2006 with a maximum of 24.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford

Date

K.A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-013-2 Solid Waste Stabilization and Disposition – 200 Area (Treat/Dispose MLLW and Retrieve Suspect TRU)

Allocated Fee: \$28.1M of the fee available in Contract Clause B.4

Performance Objective 1: Reduce the risk of interim storage by treating and/or disposing of Mixed Low-Level Waste (MLLW)

\$10.389M of the fee available in Contract Clause B.4

Performance Objective 1a: Treat and/or Dispose Mixed Low-Level Waste

\$10.389M may be earned as progress payments as follows:

- 1) \$1.6M for 2544 m³ of MLLW (COMPLETE). 2000 m³ completed under this performance expectation counts towards the cumulative 5,600m³
- 2) \$6.4M for treatment and/or disposition of an additional 2,480 m³ of MLLW in 8 increments of 310 m³ of MLLW.
- 3) An additional \$.589M may be earned as progress payment if 4,480 m³ of MLLW cumulatively is completed by 31 March 2006, linearly declining to \$0 on 30 June 2006.
- 4) \$1.8M for treatment and/or disposition of an additional 1,120 m³ of MLLW (5,600 m³ of MLLW cumulatively) by 30 September 2006

Completion Criteria:

- Treat and/or dispose Mixed Low-Level Waste
 - Mixed Low-Level Waste that has been treated by the generator may be directly disposed and counted towards the required volumes of this Performance Incentive.
 - Volumes under this Performance Incentive are pretreatment volumes and consistent with M-91 milestones.
 - Waste currently categorized as MLLW, and in storage, may be counted towards the required volumes of this Performance Incentive if regulatory requirements for disposal are met.
 - Decommissioned Naval Reactor Compartments may not be counted towards the required volumes of this Performance Incentive.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2: Remove the threat of release to the environment (including groundwater) by retrieving suspect TRU (below ground)

\$17.711M of the fee available in Contract Clause B.4

\$17.711M may be earned as progress payments as follows:

- 1) \$0.211M for 160 m³ of suspect TRU (COMPLETED)
- 2) \$13.2M retrieval of an additional 3,040m³ of suspect TRU in 8 increments of 380 m³.
- 3) An additional \$0.5M may be earned as progress payment if 3,200 m³ of suspect TRU cumulatively is completed by 31 March 2006, linearly declining to \$0 on 30 June 2006.
- 4) \$3M for retrieval of an additional 1,000 m³ (4,200 m³ cumulatively) by 30 September 2006
- 5) \$0.4M upon completion of a test dig in Burial Ground 218-E-12B by 30 September 2005.
- 6) \$0.4M upon completion of a test dig in Burial Ground 218-W-3A by 31 March 2006.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-013-2 Solid Waste Stabilization and Disposition – 200 Area (Treat/Dispose MLLW and Retrieve Suspect TRU)

Allocated Fee: \$28.1M of the fee available in Contract Clause B.4

Completion Criteria:

- Retrieve suspect TRU from those locations as defined in the Settlement Agreement.
 - Retrieval is defined as removing the drums or boxes from the stack, making a determination as to TRU or non-TRU, performing designation, and transportation to a TSD or other compliant disposal facility. For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous.
 - Retrieved volumes from test digs are 10 m³ from Burial Ground 12B and 10 m³ from Burial Ground 3A. Alternative techniques that meet data quality objectives may be substituted for excavation with RL approval.
- Test dig must provide useable evidence as defined in an RL approved Data Quality Objective (DQO) document to determine condition of buried waste.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford

Date

K.A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-030 Soil and Water Remediation – GWVZ Nuclear Facility

Allocated Fee: \$9.6M of the fee available in Contract Clause B.4

Performance Objective 1: Implement Groundwater Remedies
\$6.1M of the fee available in Contract Clause B.4

Performance Objective 1a: Implement Groundwater Remedies

\$6.1M may be earned as progress payment upon implementation of the groundwater remedies to address compliance with Record of Decision to reduce/eliminate risks of strontium-90, chromium, technetium-99, uranium, and carbon tetrachloride to human health and the environment by 30 September 2006.

- 1) \$0.75M for 100-HR-3 (H Area):
 - a) \$.6M upon attainment of remedial action objectives (RAOs), as specified in the existing Record of Decision, for chromium at 100-HR-3 (H Area) by 31 March 2006.
 - b) \$.15M upon completion of active remediation at 100-HR-3 (H Area) by 30 September 2006.
- 2) \$0.75M for 200-UP-1:
 - a) \$.06M upon attainment of remedial action objectives (RAOs), as specified in the existing Record of Decision, for uranium and technetium 99 at 200-UP-1 by 31 March 2006.
 - b) \$.150M upon completion of active remediation at 200-UP-1 by 30 September 2006.
- 3) \$1.3M for 100-NR-2:
 - a) \$.015M upon completion of active remediation of 100-NR-2 by 30 March 2006.
 - b) \$.115M upon installation of a sequestration barrier at 100-NR-2 by 30 September 2006.
- 4) \$1.65M for 100-HR-3D (D Area) upon expansion of the pump and treat system to capture the high concentration portion (>22 ppb) of the chromium as required in the Record of Decision by 31 March 2006.
- 5) \$1.65M for 200-ZP-1 upon expansion of the pump and treat system to capture the high concentration portion (>2000 ppb) of the carbon tetrachloride plume as required in the Record of Decision by 31 March 2006.

Completion Criteria:

Implement groundwater remedies to address compliance with Record of Decision to reduce/eliminate risks of strontium-90, chromium, technetium-99, uranium, and carbon tetrachloride to human health and the environment by 30 September 2006.

- 1) For 100-HR-3:
 - a) Complete the groundwater remedies by meeting the remedial action objective for reducing concentrations as described in the interim action Record of Decisions for 100-HR-3 (H Area). The Remedial Design Report and Remedial Action Work Plan for the 100-HR-3 and 100-KR-4 Groundwater Operable Units' Interim Action DOE/RL-96-84 Rev. 0 provides the criteria for successful completion of the interim action at the 100-H Area
 - b) Completion of active remediation for 100-HR-3 (H Area) will be considered performed upon removal of the power source for the extraction wells after the remedial action objective has been met.
- 2) For 200-UP-1:
 - a) Complete the groundwater remedies by meeting the remedial action objective for reducing concentrations as described in the interim action Record of Decisions for 200-UP-1. This performance incentive for 200-UP-1 will be considered having been met when concentrations of Tc-99 and uranium have been successfully reduced to below action levels (Tc-99: 9,000 pCi/L and U: 480 ug/L) specified in the 200-UP-1 Interim Record of Decision for a minimum period of one year.
 - b) Completion of active remediation of 200-UP-1 will be considered performed upon removal of the power source for the extraction wells after remedial action objectives have been met.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-030 Soil and Water Remediation – GWVZ Nuclear Facility

Allocated Fee: \$9.6M of the fee available in Contract Clause B.4

- 3) For 100-NR-2:
 - a) Completion of active remediation of 100-NR-2 will be done with the removal of clinoptilite from the treatment vessels and the removal of the power source for the extraction wells.
 - b) Complete installation of a 300-foot barrier.
- 4) For 100-D:
 - Complete the expansion of the pump and treat system by constructing/tying in additional wells compliant with the DOE-approved capture zone analysis.
- 5) For 200-ZP-1:
 - Complete the expansion of the pump and treat system by constructing/tying in additional wells compliant with the DOE-approved capture zone analysis.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

**Performance Objective 2: Eliminate Natural and Artificial Recharge
\$2.5M of the fee available in Contract Clause B.4**

- 1) \$0.3M may be earned as progress payment upon completion of the Central Plateau water run-on/run-off controls for high risk waste sites to limit driving contamination to the aquifer by 31 March 2006.
- 2) \$1.75M may be earned as progress payment upon decommissioning of 520 high priority Central Plateau wells to eliminate the potential rapid movement and flushing of contaminants to the groundwater by 30 September 2006 as follows:
 - a) \$0.5M may be earned upon decommissioning 70 high-risk, high priority wells by 30 September 2005.
 - b) \$0.75M may be earned upon decommissioning, 270 high priority wells in 3 increments of 90, to support Central Plateau area closures by 31 March 2006.
 - c) \$0.5M may be earned upon decommissioning, an additional 180 high priority wells in 2 increments of 90, to support Central Plateau area closures by 30 September 2006.
- 3) \$0.45M may be earned as progress payment upon completion of twelve Central Plateau water system renovations and elimination of the U Plant septic system discharges by 30 September 2006.

Completion Criteria:

- a) Complete regrading, berming, and/or channeling measures to control surface water run-on/run-off at and around high-risk waste sites.
- b) Decommission 520 high priority wells, which are closest to waste sites and of poor construction (and/or are geographically in proximity to such wells and support a regional closure, optimization approach), in accordance with Washington Administrative Code. Completion of Webster or "Webster type" wells and all other wells will be documented with field activity reports and submission of decommissioning documentation to State Department of Ecology.
- c) Complete the following Central Plateau water system renovations by installing, refurbishing, replacing, or isolating (cut and cap water lines) to eliminate recharge to the groundwater:
 - S-Plant water supply lines S of 16th and N of 19th (L-341)
 - 242-A Evaporator/Canton Street waterline upgrade (L-388)
 - Automate 182-B export water pumps (L-412)
 - 200 East Area raw water reservoir (L-317)
 - 20 inch South "A" Farm raw water supply line in 200 East (L-352)
 - 8 inch North "A" Farm raw water supply line in 200 East (L-353)

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-030 Soil and Water Remediation – GWVZ Nuclear Facility

Allocated Fee: \$9.6M of the fee available in Contract Clause B.4

- 10 inch B-Plant potable water supply line in 200 East (L-398)
- 200 West Area reservoir (L-311)
- 20 inch S-Labs raw water supply line in 200 West (L-397)
- 12 inch T-Plant potable water supply line in 200 West (L-399)
- 14" 242S raw water supply line in 200 West (L-355)
- U Plant Area water lines (L-441)
- Complete upgrades to eliminate U Plant Area septic system discharges (L-442)

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

**Performance Objective 3: Ensure the protectiveness of remedial actions
\$1M of the fee available in Contract Clause B.4**

EPA and Ecology agreed installation of 60 monitoring wells with multiple uses (RCRA compliance, CERCLA characterization, remediation monitoring) would bring the monitoring well network into compliance and would not required the 240 wells requested by them. This results in costing saving to the government of ~\$36M. (Based on an estimated average installation cost of ~\$200K per well (180 wells times \$200K = ~\$36M)).

\$1M may be earned as progress payment upon completion of early detection groundwater monitoring network wells in accordance with approved regulatory decision documents by 31 December 2005 as follows:

- \$.5M upon completion of 30 wells.
- \$.5M upon completion of an additional 30 wells (cumulative 60 wells).

Completion Criteria:

- Completion of wells identified in the TPA Milestone M-24-57.
 - Complete integrated groundwater monitoring system.
 - Certify that the wells are sample-ready and are in accordance with the Data Quality Objectives Summary Report for Establishing a RCRA/CERCLA Integrated 200 West and 200 East Area Groundwater Monitoring Network, CP-15329, Rev. 0, March 2003.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date

K.A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford

Allocated Fee: \$12M of the fee available in Contract Clause B.4

**Performance Objective 1: Remediate High Risk Waste Sites and Shrink Contaminated Areas
\$6M of the fee available in Contract Clause B.4**

Performance Objective 1a: Remediate U Plant area waste sites

\$3.1M may be earned as progress payment upon remediation of U Plant area waste sites to reduce/eliminate risks of uranium and technetium-99 to human health and the environment as follows:

- 1) \$3.1M may be earned as progress payment in 4 equal increment of \$0.775M upon the remediation of four U Plant area high risk waste sites (216-U-1, 216-U-2, 216-U-8, and 216-U-12 Cribs) in the U Plant Regional Closure Area as identified in the waste site proposed plan (DOE/RL-2003-24) by 30 September 2006.

Completion Criteria:

1a: Remediate U Plant area waste sites

- Complete the remediation of U Plant area waste sites to reduce/eliminate risks of uranium and technetium-99 to human health and the environment.
- Remediate four high risk waste sites (216-U-1, 216-U-2, 216-U-8, 216-U-12) in the U Plant Area that are outside the proposed environmental cap to be placed over the 221-U facility and ancillary facility debris (DOE-RL 2001-11, Final Feasibility Study for the Canyon Disposition Initiative (CDI), 221-U Facility). Remediation means installation of remedy in accordance with U Plant Area Waste Sites Record of Decision. Waste site remediation does not include final backfilling and re-vegetation or verification/closeout sampling. Remaining activities will be as identified in Rev. 0 of the RDR/RAWP.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1b: Remediate BC Cribs and Trenches

- 1) \$2.9M may be earned as progress payment in two equal increments of \$1.45M upon remediation of BC Cribs and Trenches to reduce/eliminate risks of nitrate, technetium-99, cesium-137, and strontium-90 to human health and the environment by completing at least two of the following waste site groupings by 30 September 2006.
 - Cribs 216-B-14 through 216-B-19, includes 216-E-14 Siphon Tank
 - Trenches 216-B-20 through 216-B-22
 - Trenches 216-B-23 through 216-B-28 and 216-B-52
 - Trenches 216-B-29 through 216-B-34

Completion Criteria:

1b: Remediate BC Cribs and Trenches

- Complete the remediation of BC Cribs and Trenches to reduce/eliminate risks of nitrate, technetium-99, cesium-137, and strontium-90 to human health and the environment.
- Complete BC Cribs and Trenches Area cribs, trenches and pipeline remediation in accordance with the proposed plan (DOE/RL-2004-10) and the Records of Decision. Remediation of waste sites means completion of all protective measures (e.g., installation of engineered barriers) in accordance with the applicable Record of Decision. Waste site remediation does not include final backfilling and re-vegetation or verification/closeout sampling. Remaining activities will be as identified in Rev. 0 of the RDR/RAWP.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford

Allocated Fee: \$12M of the fee available in Contract Clause B.4

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2: Disposition Excess Hazardous Facilities by 30 September 2006
\$6M of the fee available in Contract Clause B.4

Performance Objective 2a: Demolish 233-S and 233-SA by 30 June 2004

- 1) \$2.5M may be earned as progress payment upon demolition of the 233-S (Pu Concentration Facility) and 233-SA (Exhaust Filter Building) to slab-on-grade by 30 June 2004. - **COMPLETE**

Completion Criteria:

- 1) 233-S (Pu Concentration Facility) and 233-SA (Exhaust Filter Building) demolished to slab-on-grade by 30 June 2004.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2b: Demolition of Canyon ancillary facilities as follows by 30 September 2006

- 1) \$2M may be earned as progress payment upon demolition to slab-on-grade 10 U Plant Ancillary Facilities and structures and 10 B Plant structures by 31 March 2006, linearly decreasing to \$0 by 30 June 2006.
- 2) \$0.5M may be earned as progress payment upon demolition to slab-on-grade 12 additional B Plant structures by 30 September 2006.

Completion Criteria:

- 1) Ten U Plant Ancillary Facilities and structures identified in Table A, including at least one nuclear facility as identified in the Hanford Site Technical Database (HSTD), demolished to slab-on-grade by 31 March 2006.
- 2) Ten B Plant structures, identified in Table B, including at least one radiological facility as identified in the HSTD, demolished to slab on grade by 31 March 2006.
- 3) Twelve additional B Plant structures identified in Table B, demolished to slab-on-grade by 30 September 2006.
- 4) The Slab-on-Grade definition is
 - Building and project generated debris packaged and shipped off the demolition project site or in accordance with the Action Memorandum.
 - Final site surveys and sampling is complete.
 - Appropriate stabilization of the slab area is complete and properly posted.
 - Site demobilization is complete.

Assumptions:

- None identified.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford

Allocated Fee: \$12M of the fee available in Contract Clause B.4

Government Furnished Services/Items:

- None identified.

Table A – U Plant Ancillary Facilities Applicable to Performance Objective 2b:

Note: 10 of 12 facilities are within funding guidance. FH will disposition 10 of 12 listed, one of which is a nuclear facility as defined in the HSTD.

- U Plant Ancillary Facilities include the following:
 - 2714-U UO3 Storage Facility
 - 2715-U Oil Storage Building
 - 2715-UA Insulators Shop
 - 2716-U UO3 Plant Fire Protection
 - 2726-U Propane Gas Storage Facility
 - 203-U – Uranium Storage Tank Enclosure
 - 211-U Chemical Tank Farms
 - 211-UA Chemical Tank Farms
 - 2709-A Change House at 2714-U
 - 222-U Laboratory
 - 272-U – Hot Shop/Cold Maintenance Shop
 - 275-UR Storage Warehouse

Table B – B Plant Structures Applicable to Performance Objective 2b:

- B Plant construction lay down yard structures include the following:
 - 272BC Construction Multi-Craft Storage
 - 2200B Construction Portal Monitoring Building
 - 2201B Construction Ice House at 227B
 - 2238E Electrical Supervisors Office
 - 2239E Carpenters Supervisors Office
 - 2240E Paint Shop
 - 2241B Laborer's Storage
 - 2244B Multi Craft Fabrication Shop
 - 2245B Electrician's Lunchroom/Office
 - 2247B Ironworker's Shop
 - 2251E Storage Building
 - 2252E Storage Building
 - 2253E Storage Building
 - 2254E Storage Building
 - 2255E Storage Building
 - 2256E Storage Building
 - 2257E Storage Building
 - MO958 Mobile Office
 - MO959 Mobile Office – Restroom
 - MO964 Mobile Office
 - MO965 Mobile Office – Storage
 - MO967 Mobile Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford

Allocated Fee: \$12M of the fee available in Contract Clause B.4

Performance Objective 2c: Complete regulatory documentation supporting U Plant Regional Disposition by 31 December 2005

- 1) \$1M may be earned as progress payment upon issuance of the CERCLA decisions for U Plant Canyon Disposition Initiative (CDI) and U Plant Ancillary Facilities by 31 December 2005.

Completion Criteria:

- 1) The scope will be considered complete when the following actions have occurred:
 - a) Action Memorandum for U Plant Ancillary Facilities has received regulator concurrence.
 - b) Record of Decision for Canyon Disposition Initiative (221-U Facility) has been issued by the regulators.

Assumptions:

- Utilizing a sound technical and legal basis jointly developed by FH and DOE, DOE will defend and support delivery of the CDI FS/PP, by 30 September 2004 to the Regulator for concurrence.

Government Furnished Services/Items:

- None identified.

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date

K. A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-041 River Corridor Closure Project

Allocated Fee: \$1M of the fee available in Contract Clause B.4

**Performance Objective 1: Package, ship and dispose of remaining N Reactor Fuel by 31 March 2006 to meet TPA Milestone MX-92-06-T02, due 30 September 2006.
\$1M of the fee available in Contract Clause B.4**

- 1) \$1M may be earned as progress payment upon completion of packaging, shipping and disposal of 823 MT of uranium metal fuel from three Nuclear Facilities in the 300 Area in accordance with the following increments:
 - a) \$0.8M may be earned as a progress payment for the packaging, shipping and disposal of 665.3MT of 0.71 and 0.95 enriched Uranium Fuel.
 - b) \$0.2M may be earned as a progress payment for the packaging, shipping and disposal of 158.19MT of 1.25 enriched Uranium Fuel.

Completion Criteria:

- 1a) 665.3 MT of uranium metal fuel listed in Table A packaged, shipped and disposed from the 300 Area
- 1b) 158.19 MT of uranium metal fuel listed in Table A packaged, shipped, and disposed from the 300 Area.

Assumptions:

- None identified.

Government Furnished Services/Items:

- Review and respond to an ERDF Authorization Basis Document (0600X-AB-G0004/BHI-00370) change, if needed, within 90 days after submittal of the AB.
- Review and respond to request for amendment to the SARP addressing the 1.25 enriched fuel and scrap and allowing shipments below 60 degrees Fahrenheit within 90 days of submittal.

Table A - Uranium Metal Fuels Inventory – (Totals Are in MTU)

Location	0.71 U	0.95 U	1.25 U	Total	Material Type
303-B	0	0	39.19 – 72 Red Boxes	39.19 – 72 Red Boxes	Contaminated fuel assemblies
3712	53.90 – 67 Red Boxes	488.20 – 628 Red Boxes	104.28 – 195 Red Boxes	646.38 – 890 Red Boxes	Fuel assemblies
3712	0.14 – 1 Scrap Box	1.06 – 1 Red Box 5 Scrap Boxes	0.08 – 1 Red Box	1.28 – 2 Red Boxes 6 Scrap Boxes	Scrap
3716	8.68 – 12 Red Boxes 9 Scrap Boxes	113.37 – 144 Red Boxes 125 Scrap Boxes	14.64 – 50 Red Boxes	136.69 – 206 Red Boxes 134 Scrap Boxes	Unfinished fuel assemblies
Total	62.72	602.63	158.19	823.54	

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date

K. A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0 June 10, 2004

PBS: RL-042 Nuclear Facility FFTF

Allocated Fee: \$7M of the fee available in Contract Clause B.4

**Performance Objective 1: Fast Flux Test Facility Complex Hazard Reduction
\$7M of the fee available in Contract Clause B.4**

Performance Objective 1a: Remove all remaining FFTF reactor fuel from the 400 Area and transfer it to the 200 Area Interim Storage Area (ISA)

- 1) \$1.5M may be earned as progress payment for removal of 81 fuel assemblies (COMPLETE).
- 2) \$1.5M may be earned as progress payments for the completion of loading and transferring 5 additional interim storage casks (ISCs), in increments of \$0.3M per ISC, by 31 August 2004.
- 3) \$2.1M may be earned as provisional payments in increments of \$0.21M per ISC for the completion of loading and transferring each of 10 additional ISCs by 31 March 2005. If contract transition occurs prior to work completion, remaining fee from this expectation will be re-allocated to existing incentivized work scope associated with RL-030. The provisional payment will convert to progress payment upon completion of Performance Objective 1b, below.
- 4) \$0.4M may be earned as a progress payment for the disassembly of fuel assembly MFF-1 and loading of fuel pins into Ident 69 pin containers or pin baskets, as appropriate, by 31 July 2004.

Completion Criteria:

- Interim storage casks (ISCs) loaded and transferred to the 200 Area Interim Storage Area (ISA).

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1b: Perform additional risk reduction activities at the FFTF to include:

\$1M may be earned as progress payment upon completion of selected reactor sodium and sodium-potassium alloy drain activities by the completion of FFTF contract transition.

Completion Criteria:

- Sodium flush completed for the two in-containment sodium-potassium (NaK) alloy cooling systems (primary cold trap cooling, and Interim Decay Storage vessel cooling). Following the flush, the NaK systems will be drained to the maximum extent practical and the remaining NaK and frozen sodium residuals will be maintained under an inert gas blanket pending later disposition.
- The reactor vessel sodium level lowered to just above the tops of the immersion heaters and the three primary heat transport system loops drained to the maximum extent practical. The sodium transferred into the Sodium Storage Facility (SSF). Associated trace heat systems de-energized and primary pony motors secured. Completion does not include actions to drain the reactor vessel and primary auxiliary sodium systems or disposition of residual sodium in cold traps and other portions of the system, or shutdown and lay-up of associated cover gas, electrical support, heating & ventilation, primary pump skids, or other support systems.
- In the Fuel Storage Facility (FSF), the portion of the NaK cooling loop external to the fuel storage vessel drained. Non-drainable NaK in the loop within the FSF storage vessel and in the NaK-to-air heat exchangers removed to the extent practical. The NaK loop will then be maintained under an inert gas blanket pending later disposition. The removed NaK, including that stored in the FSF NaK storage tank, transferred into the FSF storage vessel sodium.

Assumptions:

- None identified

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0 June 10, 2004

PBS: RL-042 Nuclear Facility FFTF

Allocated Fee: \$7M of the fee available in Contract Clause B.4

Government Furnished Services/Items:

- None identified

Performance Objective 1c: Drain secondary sodium

\$0.5M may be earned as progress payment upon removal of secondary sodium (COMPLETE).

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date

K. A. Klein, Manager
Richland Operations Office

Date

FY 2005 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 29, 2005

PBS: RL-042A Nuclear Facility FFTF

Allocated Fee: \$3.2M of the fee available in Contract Clause B.4

**Performance Objective 1: Fast Flux Test Facility Complex Hazard Reduction
\$3.2M of the fee available in Contract Clause B.4**

Performance Objective 1a: Remove all remaining FFTF reactor fuel from the 400 Area and transfer it to the 200 Area Interim Storage Area (ISA)

- 1) \$0.15M may be earned as progress payments, in equal increments of 33%, for the disassembly of fuel assemblies PO-4, SRF-3, and SRF-4 and loading of fuel pins into Ident 69 pin containers or pin baskets, as appropriate, by 30 November 2005.
- 2) \$0.05M may be earned as a progress payment for disassembly of fuel assembly ACN-1 and loading of fuel pins into Ident 69 pin containers by 31 March 2006.
- 3) \$1.26M may be earned as progress payments in increments of \$0.21M per ISC for the completion of loading each of 6 additional ISCs with fuel and placing it in the 400 Area Interim Storage Area by 30 November 2005. See Completion Criteria below.
- 4) \$0.63M may be earned as progress payments in increments of \$0.21M per ISC for loading each of 3 additional ISCs with fuel and placing it in the 400 Area Interim Storage Area by 31 March 2006.

NOTE: For Expectations 2) and 4) above, if the workscope has not been completed by completion of contract transition the unearned fee will be reallocated to other contract expectations. The sodium bonded fuel is not to be included in the fuel loaded in Interim Storage Casks.

Completion Criteria:

- Interim storage casks (ISCs) loaded and transferred to Interim Storage.
- Criteria for Expectation 3: The 10th ISC noted in PI RL-042, Rev 1/dated June 14, 2004, Performance Objective 1a, Expectation 3) is to be loaded and placed in the 400 Area ISA prior to earning fee on the above Expectation 3).

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1b: Complete FFTF sodium drain

- \$1.11M may be earned as progress payment upon completion of FFTF sodium drain by September 30, 2005.

Completion Criteria:

- The reactor vessel sodium drained to the maximum extent practical and the three primary heat transport system loops drained to the maximum extent practical. The sodium transferred into the Sodium Storage Facility (SSF). Associated trace heat systems de-energized and primary pony motors secured. Completion does not include disposition of residual sodium in cold traps and other portions of the system, or shutdown and lay-up of associated cover gas, electrical support, heating & ventilation, primary pump skids, or other support systems.

ORIGINAL

Fluor Hanford, Inc.
DE-AC06-96RL13200
Modification M230
Page 2 of 2

FY 2005 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 29, 2005

PBS: RL-042A Nuclear Facility FFTF

Allocated Fee: \$3.2M of the fee available in Contract Clause B.4

- The FSF drained to the maximum extent practical and the sodium transferred into the Sodium Storage Facility (SSF). Associated trace heat systems de-energized. Completion does not include disposition of residual sodium in the FSF cold trap or other portions of the system, including the NaK in the FSF NaK system and approximately 10 inches of sodium in the bottom of each storage tube, or shutdown and lay-up of associated cover gas, electrical support, heating & ventilation or other support systems

Assumptions:

- None identified

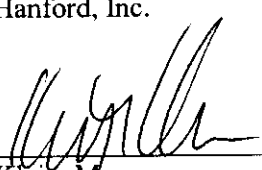
Government Furnished Services/Items:

- None identified

Signatures

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford, Inc.

Date



K. A. Klein, Manager
Richland Operations Office



Date

RL-CO: 08 Date: 6/9/05

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 1	
2. AMENDMENT/MODIFICATION NO. M252	3. EFFECTIVE DATE AUG 24 2006	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue; MSIN A7-80 Richland WA 99352	CODE	7. ADMINISTERED BY (If other than Item 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) Fluor Hanford, Inc. 2420 Stevens Drive P.O. Box 1000 Richland WA 99352		(X)	9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
		X	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200	
CODE		FACILITY CODE		10B. DATED (SEE ITEM 13) 08/06/96

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment, (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Clause I.65 FAR 52.233-1 DISPUTES, and Mutual Agreement
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This modification incorporates a new Performance Incentive (FHI Cost Underrun Funded Performance Incentive) into Section J, Appendix D of the contract, and incorporates a revised Performance Incentive (RL-Composite-Overall Performance) into Section J, Appendix D of the contract, pursuant to a settlement of all potential contract claims for events occurring or Government decisions made prior to May 15, 2006.

The subject Performance Incentives are attached.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Ronald G. Gallagher, President and CEO	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Keith A. Klein, Manager
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	16B. UNITED STATES OF AMERICA (Signature of Contracting Officer)
15C. DATE SIGNED 8/23/06	16C. DATE SIGNED 8/24/06



FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

Allocated Fee: \$7.36M

The FHI Reserve Funded performance objectives contained in this performance incentive (PI) are incentivized as a group, however each objective has fee assigned that reflects the relative priority of the cleanup activity to the Government.

This PI provides an incentive for the contractor to accept the risk to maximize the amount of cleanup work that can be completed with available funds. The performance objectives of this PI accelerate completion of Hanford cleanup work activities outside the current approved baseline by using available underruns to fund the additional cleanup workscope. The workscope included in this performance incentive, including associated fee, is to be funded primarily from FY 2006 FHI underruns.

FY 2007 proposed funding or changes in funding shall not impact this PI and will not be a cause for equitable adjustment. Reallocation of underruns by FHI to fund any workscope outside this PI shall not be a basis for an equitable adjustment.

For changes or impacts (other than funding) that are outside the contractors control and that prevent completion of the performance objective, either the affected fee will be assigned to other mutually agreed-to workscope or, if there is insufficient time remaining in the contract period of performance to effectively reassign fee, the associated fee will be paid.

Performance Objectives:

1: Performance Objective: RL-011 - Complete internal cleanout of eight gloveboxes by September 30, 2007.

- \$1.0M may be earned in eight increments of \$0.125M for cleanout of internal equipment and waste from eight 234-5Z gloveboxes or hoods by September 30, 2007. The gloveboxes to be completed are HA-14P, HA-14S, HA-16CS, HA-16BS, 227-S, HC-11 and two gloveboxes to be determined by FH.

Completion Criteria:

- Glovebox and hood cleanout is considered complete when all internal process equipment has been removed and waste has been dispositioned.

Assumptions:

- Supplemental funding of \$3.8M is provided by RL.

Government Furnished Services/Items:

- None Identified

2: Performance Objective: RL-013-1 – Additional increment (268 m3) WIPP certification of TRU waste by December 31, 2006.

- \$1.4M may be earned for WIPP certification of 268 m3 of TRU waste (2,132 m3 cumulative) by December 31, 2006.

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

Allocated Fee: \$7.36M

Completion Criteria:

- Meet all acceptance criteria for WIPP.
- One cubic meter (m3) of TRU is defined as five 55-gallon drums or three 85-gallon drums.
- One standard waste box is defined as 1.8 m3 of TRU.

Assumptions:

- None identified

Government Furnished Services/Items:

- None Identified

3: Performance Objective: RL-013-2 – Additional increment (310 m3) of MLLW Treatment by March 31, 2007.

- \$0.8M may be earned for treatment and/or disposition of 310 m3 of MLLW (5,910 m3 cumulative) by March 31, 2007.

Completion Criteria:

- Treat and/or dispose Mixed Low-Level Waste
 - Mixed Low-Level Waste that has been treated by the generator may be directly disposed and counted toward the required volumes of this Performance Incentive.
 - Volumes under this Performance Incentive are pretreatment volumes and consistent with M-91 milestones.
 - Waste currently categorized as MLLW, and in storage, may be counted towards the required volumes of this Performance Incentive if regulatory requirements for disposal are met.
 - Decommissioned Naval Reactor Compartments may not be counted towards the required volumes of this Performance Incentive.

Assumptions:

- None Identified

Government Furnished Services/Items:

- None Identified.

4: Performance Objective: RL-013-2 – Additional increment (380 m3) of TRU Retrieval by December 31, 2006.

- \$1.65M may be earned for retrieval of 380 m3 of suspect TRU (4,580 m3 cumulatively) by December 31, 2006.

Completion Criteria:

- Retrieval is defined as removing the drums or boxes from the stack, making a determination as to TRU or non-TRU, performing designation, and transportation to a TSD or other compliant disposal facility. For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous.

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

Allocated Fee: \$7.36M

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

5: Performance Objective: RL-013-2 – Complete treatment of all NLOP sludge contained in the four LDCs received at T Plant during 2005/2006 and dispose of non-TRU LDCs by December 31, 2006.

- \$0.15M may be earned for completion of treatment of NLOP sludge and disposition of the non-TRU LDC's by December 31, 2006.

Completion Criteria:

- NLOP sludge treated to a waste form "certifiable" under the WIPP WAC.
- Non-TRU LDC's disposed at ERDF.

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

6: Performance Objective: RL-030 – Characterize chromium-6 plume between H and D 100 Areas by September 30, 2008.

- \$0.25M may be earned upon completion of additional characterization of the upper confined aquifer for chromium contamination between the 100-D and 100-H Areas, in the area known as the "horn" by September 30, 2008.

Completion Criteria:

- In accordance with a DOE-RL and regulator approved DQO and SAP, complete the drilling of characterization boreholes and/or wells, perform appropriate sampling, and submit a decisional draft of the interpretive report by September 30, 2008.

Assumptions:

- Supplemental funding of \$0.62M is provided by RL.

Government Furnished Services/Items:

- None identified

7: Performance Objective: RL-030 – One additional increment of well decommissioning of 90 high priority wells by July 31, 2007.

- \$0.25M may be earned upon decommissioning an additional 90 high priority wells to support Central Plateau area closures by July 31, 2007.

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

Allocated Fee: \$7.36M

Completion Criteria:

- Decommission 90 (430 cumulative) high priority wells, which are closest to waste sites and of poor construction (and/or are geographically in proximity to such wells and support a regional closure optimization approach), in accordance with the WAC. Completion of Webster or "Webster type" wells and all other wells will be documented with field activity reports and submission of decommissioning documentation to the Washington State Department of Ecology.

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

8: Performance Objective: RL-040 – Complete 100B Area export water system reliability enhancements by December 31, 2007.

- \$0.20M may be earned upon completion of all below identified reliability upgrades to 100B Area export water system by December 31, 2007.

Completion Criteria:

- Complete installation of fire sprinkler system in 181B River Pumping Station, replace the diesel pumping assembly in 181B River Pumping Station, install 12" water main to 181B and install 2 fire hydrants, install 2 new diesel pumping assemblies at 182B Reservoir (and remove 4 old pumping assemblies), and replace diesel fuel tank at 182B Reservoir. Construction completion Document (A-6002-656) has been signed off and issued signifying facilities available for beneficial use.

Assumptions:

- Assumes that the 181/2 D water facilities continue operations until all upgrades are completed and facilities available for beneficial use.
- Supplemental funding of \$0.8M is provided by RL

Government Furnished Services/Items:

- None identified

9: Performance Objective: RL-040 – Complete U Zone accelerated canyon closure initiatives by June 30, 2007.

- \$0.25M may be earned upon completion of the U Zone accelerated canyon closure initiatives by June 30, 2007.

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

Allocated Fee: \$7.36M

Completion Criteria:

- Completion of the following:
 - a) Issuance of Canyon Facility Waste Acceptance Study
 - b) Issuance of U Plant Accelerated Closure Engineering Studies:
 - i) U Plant Void Fill Analysis & Installation Plan
 - ii) Railroad Tunnel Reactivation Study
 - iii) Systems (HVAC, Crane, Electrical) Reactivation Study
 - iv) Deck Cleanup Study
 - v) Cell 30 Tank Contents Removal Plan
 - c) Submission to RL of a safety basis document defining appropriate controls to allow disposition of the contents of U Plant Cell 30 Tank
 - d) Submission of Decisional Draft Remedial Action Work Plan to RL for comments by September 30, 2006.

Assumptions:

- Waste Acceptance Study scope is to document a review of waste streams being generated at Hanford and to identify bounding case wastes that could be safely and economically disposed in the canyon.
- Computer modeling to support Waste Acceptance Study will be performed by using STOMP model.

Government Furnished Services/Items:

- None identified

10: Performance Objective: RL-040 – Remediate three 200-CW-3, 200 North Cooling Water Group, waste sites under the remove, treat, and dispose alternative by July 31, 2007.

- \$0.16M may be earned upon completion of remediation of three 200-CW-3, 200 North Cooling Water Group, waste sites by July 31, 2007.

Completion Criteria:

- Complete remediation of three waste sites included in the 200-CW-3, 200 North Cooling Water Group, waste sites under the remove, treat, and dispose alternative. Remediation means excavating contaminated soil and debris (if present) to a maximum depth of 15 feet, disposal of waste to ERDF, and backfilling of sites. Prior to backfilling of sites, verification sampling is to be completed in accordance with the applicable Sampling and Analysis Plan, Quality Assurance Project Plan, and implementing procedures, including QA review of the sampling results. Remediation does not include backfilling where remedial action goals (RAGs) have not been met for reasons other than delays in the excavation (e.g. RAGs not approved or significant contamination above approved RAGs exists deeper than 15 feet) and does not include final re-vegetation activities. Backfill will progress at a minimum average rate of 150 cubic yards per working day starting four working days after RL agrees the RAGs have been met. If backfill is not complete by July 31, 2007, a plan for completion will be provided to RL

Assumptions:

- None Identified

Government Furnished Services/Items:

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

Allocated Fee: \$7.36M

- None identified

11: Performance Objective: RL-040 – Disposition ten (10) high risk industrial facilities by June 30, 2007.

- \$0.25M may be earned upon completion of demolition of ten (10) high risk industrial facilities, from the list of facilities below, to slab on grade by June 30, 2007.

Facility List			
607	2231E	2232E	2233E
2259W	2306W	2307W	2314W
2315W	252E	252W	2701EC
2701M	2704W	2710E	2710W
2715M	2722W	2723W	506B
622D	622F	622G	MO040
MO405	MO943	MO991	

Completion Criteria:

- The slab-on-grade definition is:
 - a) Building and project-generated debris packaged and shipped to an appropriate disposal site.
 - b) Final site surveys and sampling are complete.
 - c) Appropriate stabilization of the slab area is complete and area is properly posted.
 - d) Site demobilization is complete.

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

12: Performance Objective: RL-040 – Complete 212-N nuclear facility hazard reduction and downgrade by June 30, 2007.

- \$1.0M may be earned upon completion of the 212N nuclear facility hazard reduction and downgrade by June 30, 2007.

Completion Criteria:

- Complete 212N nuclear facility hazard reduction and downgrade:
 - a) Characterize, package, and ship sufficient quantity of source material (15 Pu glove boxes) to support downgrading to less than hazard category 3 facility in compliance with HNF-PRO-8366.
 - b) 212-N DSA is terminated eliminating the facility from Nuclear Facility status.
 - c) Issue preliminary waste disposition plan including ROM estimate for final disposition of the 15 gloveboxes.

Assumptions:

DUPLICATE
ORIGINAL

Contract Number DE-AC06-96RL13200

Modification M252

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FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 6, 2006

PBS: FHI Cost Underrun Funded Performance Incentive

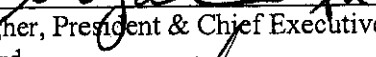
Allocated Fee: \$7.36M

- RL and WDOH will approve the site-wide Notice of Construction to allow activities to proceed at 212N by August 31, 2006.

Government Furnished Services/Items:

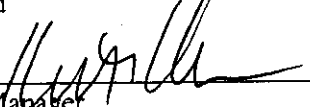
- None identified

Signatures


R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford



8/23/06
Date


K.A. Klein, Manager
Richland Operations Office



8/23/06
Date

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

The performance objectives contained in this performance incentive are incentivized as a group. Performance Objectives are rated by priority with high priority objectives assigned 5 points and lesser priority objectives assigned between 1 and 5 points based on their relative priority to the Government. Objectives with multiple deliverables or end points may have points assigned below the overall objective level.

Performance objectives may be added, deleted, or replaced within this PI by mutual agreement between the Government and Contractor with no change in fee allocated to this PI.

Performance objectives from other PI's that become unfunded or otherwise impacted may by mutual agreement have the associated fee allocated to this PI as an equitable adjustment. In addition, any unassigned fee that becomes available for any other reason may by mutual agreement be allocated to this PI as an equitable adjustment. If mutual agreement is not reached the provisions of PHMC Clause H.33 would govern.

Applicable to Performance Objectives 1 through 10 below:

The Contractor may draw down up to 80% of the \$5.998M fee for performance objectives 1-10 at the rate of 20% for the month of April 2006 and 12% per month for the last 5 months (May through September, inclusive) of FY 2006, subject to Contracting Officer concurrence.

Performance objectives 1 through 10 are to be completed by September 30, 2006 unless an earlier date is specified in the performance objective. At the end of FY 2006 the Contractor will submit documentation demonstrating that the completion criteria have been met, and the Contracting Officer will award the fee for this incentive based on the contractors performance in meeting the listed performance objectives. Performance will be measured by calculating a percentage score based on the number of points for objectives successfully completed divided by the total number of points available as of September 30, 2006. The percentage score multiplied by the available fee for this incentive will determine the fee awarded. Completion of all objectives will result in award of full fee.

Performance Objectives:

1: Performance Objective: RL-011 - Complete the following 234-5Z and PRF Facility layup activities:

- This objective has a weight of 3 points to be awarded upon completion of pie plating glove ports in 234-5Z and 236-Z Pu processing facilities.
- This objective has a weight of 2 points to be awarded upon completion of venting the 26 inch process vacuum header in 234-5Z.

Completion Criteria:

- The 234-5Z and 236-Z pie plating is complete when all the glove ports not necessary for ongoing surveillances on the inactive gloveboxes in process buildings 234-5Z and 236-Z have been pie plated. Active gloveboxes are those required for ongoing operations, those gloveboxes being cleaned out as part of D&D operations and those gloveboxes (or ports) necessary to support Minsafe surveillances or processes.
- The venting of the 26 inch process vacuum header in 234-5Z is complete when the recently active 26 inch process vacuum header (3 inch line) has a vent path to the E4 ventilation system and 2 HEPA filters have been placed on vacuum lines down stream of the header to provide limited flow through

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

portions of the header.

Assumptions:

- None identified

Government Furnished Services/Items:

- None Identified

2: Performance Objective: RL-011 - Complete VIPAC fuel disposition

- This objective has a weight of 3 points to be awarded upon the disposition of 794 VIPAC pins.

Completion Criteria:

- Disposition of the VIPAC pins are considered complete when the pins have been removed from the Protected Area and dispositioned as waste or shipped to another site/facility.

Assumptions:

- None identified

Government Furnished Services/Items:

- None identified

3: Performance Objective: RL-011 - Complete PFP EE/CA

- This objective has a weight of 4 points to be awarded upon submittal of the PFP below grade EE/CA to RL.

Completion Criteria:

- This task is complete when the EE/CA is performed based upon process knowledge for the sub-grade portion of PFP and the PFP Sub-Grade EE/CA report has been transmitted to the DOE-RL.

Assumptions:

- None identified

Government Furnished Services/Items:

- None identified

4: Performance Objective: RL-040 - Disposition excess facilities

- This objective has a weight of 3 points to be awarded upon demolition of five facilities (2707E, 2713E, 2715E, 2719E, and 2722E) to slab on grade.

Completion Criteria:

- The slab-on-grade definition is:
 - Building and project-generated debris packaged and shipped to an appropriate disposal site.
 - Final site surveys and sampling are complete.
 - Appropriate stabilization of the slab area is complete and area is properly posted.
 - Site demobilization is complete.

Assumptions:

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

- None identified

Government Furnished Services/Items:

- None Identified

5: Performance Objective: RL-040 - Remediate Two U Plant Zone Waste Sites Under the Remove, Treat, and Dispose Alternative

- This objective has a weight of 5 points to be awarded upon remediation of two 200-UW-1 Operable Unit waste sites (200-W-42 vitrified clay pipeline / UPR-200-W-163) in the U Plant Regional Closure Area as identified in the waste site proposed plan (DOE/RL-2003-24).

Completion Criteria:

- Remediation means excavating contaminated soil and debris (if present) to a depth up to 15 feet, verification sampling, disposal of waste to ERDF, and backfilling of sites in accordance with DOE/RL-2005-71, *Action Memorandum for the Time-Critical Removal Action for Support Activities to the 200-UW-1 Operable Unit*; with the 200-UW-1 Record of Decision; or other regulatory decision document, as applicable. Backfilling includes areas where remedial actions goals are agreed upon between RL and Ecology. Remediation does not include final re-vegetation activities or removal of portions of the 200-W-42 pipeline in place under:
 - The proposed environmental cap to be placed over the U canyon.
 - The proposed barriers over 216-U-8 and 216-U-12 Cribs.
 - 16th Street (to be rescoped with 200-IS-1 Operable Unit transfer line from 241-S-151 & 241-SX-152 to 241-UX-154).

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

6: Performance Objective: RL-040 - Supplemental DQO and SAPs for model groups 2-7

- This objective has a weight of 5 points to be awarded upon completion of supplemental Data Quality Objectives (DQO) and respective Sampling and Analysis Plans (SAPs) for model groups 2-7 that integrate groundwater and source unit needs.

Completion Criteria:

- Submit model groups 2-7 supplemental SAPs based on Tri-Party collaboratively developed DQOs.

Assumptions:

- None Identified

Government Furnished Services/Items:

- TPA M-15 Tentative Agreement signed by RL, EPA, and Ecology by March 30, 2006.

7: Performance Objective: RL-030 - Implement Groundwater Remedies for 200-ZP-1

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

This objective has a weight of 5 points to be awarded upon completion of Draft A of the Remedial Investigation Report for 200-ZP-1 by May 9, 2006.

Completion Criteria:

- Submittal of Draft A of the 200-ZP-1 Remedial Investigation Report to DOE-RL by May 9, 2006 in support of TPA milestone M-15-48A.

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

8: Performance Objective: RL-040 - Complete the slant borehole at 216-Z-9 Trench and deliver 200-PW-1 Draft A, Remedial Investigation Report to RL.

This objective has a weight of 5 points to be awarded upon completion of the Z-9 slant borehole and delivery of the 200-PW-1 Draft A, Remedial Investigation Report (as agreed to through TPA Change Notice TPA-CN-146, dated January 3, 2006).

Completion Criteria:

- Drilling and sampling of slant borehole including completion of the physical drilling activities, and completion of the sample analysis through data validation.
- 200-PW-1 Draft A, Remedial Investigation Report transmitted to RL.

Assumptions:

- None Identified

Government Furnished Services/Items:

- None identified

9: Performance Objective: RL-040 - Complete construction of the replacement Main Electrical Power 230 kV A-8 Substation (L-325) and completion of line and pole installation of the 13.8 kV Distribution Line between the A-8 and A-7 Substations (L-325A).

- This objective has a weight of 3 points to be awarded upon replacement of aged substation equipment at the 230 kV A-8 Substation and completion of line and pole installation of the 13.8 kV distribution line.

Completion Criteria:

- Complete construction of the replacement 230 kV A-8 Substation. Construction Completion Document (A-6002-656) has been signed off and issued signifying facility for beneficial use.
- Complete line and pole installation for the distribution line between A-8 (251W) and A-7 (151-KW) Substations. Construction Completion Document (A-6002-656) has been signed off signifying completion of line and pole installation with the cable coiled adjacent to each end.

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

Assumptions:

- None Identified

Government Furnished Services/Items:

- None Identified.

10. Performance Objective: RL-042 - Complete FFTF IDS sodium drain

- This objective has a weight of 5 points to be awarded upon completion of FFTF Interim Decay Storage (IDS) vessel sodium drain.

Completion Criteria:

- The IDS vessel, process loop and primary sodium storage tank (T-43) drained to the maximum extent practical and the sodium transferred into the Sodium Storage Facility. Completion includes displacing the sodium from the core component pots (CCPs) into the vessel sodium, removing, and storing the CCPs for future cleaning. Associated trace heat systems will be de-energized and valves placed in their final positions. The IDS cold trap will remain full and frozen. Completion does not include shutdown and lay-up of associated cover gas, electrical support, heating & ventilation or other support systems.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

Applicable to Performance Objectives 11 through 17 below:

The Contractor may draw down up to 80% of the \$4.64M fee for performance objectives 11-17 at the rate of 8% for the months of June 2006 through March 2007, inclusive, subject to Contracting Officer concurrence.

Performance objectives 11 through 17 are to be completed by March 31, 2007 unless an earlier date is specified in the performance objective. After March 31, 2007 the Contractor will submit documentation demonstrating that the completion criteria have been met, and the Contracting Officer will award the fee for this incentive based on the contractors performance in meeting the listed performance objectives. Performance will be measured by calculating a percentage score based on the number of points for objectives successfully completed divided by the total number of points available as of March 31, 2007. The percentage score multiplied by the available fee for this incentive will determine the fee awarded. Completion of all objectives will result in award of full fee.

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

11. Performance Objective: RL-011 - Complete MICON recabling

- This objective has a weight of 3 points to be awarded upon completion of MICON recabling by September 30, 2006.

Completion Criteria:

- The MICON recabling is complete when the cables are routed directly from 243-Z to 2736-ZB.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

12. Performance Objective: RL-011- Complete 234-5Z roof repair

- This objective has a weight of 3 points to be awarded upon completion of repair of the 234-5Z roof by March 31, 2007.

Completion Criteria:

- The 234-5Z roof repair is considered complete when necessary repairs have been made and a new outer membrane has been applied.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

13. Performance Objective: RL-013 - Complete disposition of site wide fuel - TRIGA

- This objective has a weight of 3 points to be awarded upon emplacement of the OSU TRIGA fuel in the ISA by December 31, 2006.

Completion Criteria:

- Complete emplacement of the 13 drums containing OSU TRIGA spent fuel currently at the Low Level Burial Grounds into interim storage at the 200 Area Interim Storage Area. The action will be complete when all 13 drums are loaded into RadVaults at the 200 Area ISA in a configuration compliant with the approved Documented Safety Analysis.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

14. Performance Objective: RL-013 – Initiate retrieval in a second Burial Ground

- This objective has a weight of 3 points to be awarded upon initiation of TRU retrieval in a second burial ground by December 31, 2006.

Completion Criteria:

- Movement of a container from burial ground 218-W-4B, 218-E-12B or 218-W-3A to the process area for characterization prior to movement to a TSD

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

15. Performance Objective: RL-013 – Install a weather enclosure at 218-E-12B Burial Ground

- This objective has a weight of 3 points to be awarded upon acquisition and installation of a weather enclosure at the 218-E-12B burial ground by December 31, 2006.

Completion Criteria:

- Completion of Work Package to Install Weather Enclosure at 218-E-12B.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

16. Performance Objective: RL-013 – One additional increment of WIPP certification

- This objective has a weight of 10 points to be awarded in two parts: 5 points upon completion of an additional one half increment (134 m3) of WIPP certification and 5 points upon completion of the second half increment (134 m3) for a total of one additional increment of WIPP certification (2,400 m3 cumulative) by March 31, 2007.

Completion Criteria:

- Meet all acceptance criteria for WIPP.
- One cubic meter (m3) of TRU is defined as five 55-gallon drums or three 85-gallon drums.
- One standard waste box is defined as 1.8 m3 of TRU.

Assumptions:

- None identified.

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ORIGINAL

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FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 1, August 16, 2006

PBS: RL-Composite – Overall Performance

Allocated Fee: \$10.638M of the fee available in Contract Clause B.4

Government Furnished Services/Items:

- None identified

17. Performance Objective: RL-013 – One additional increment of TRU retrieval

- This objective has a weight of 10 points to be awarded in two parts: 5 points upon completion of an additional one half increment (190 m3) of TRU retrieval and 5 points upon completion of the second half increment (190 m3) for a total of one additional increment of TRU retrieval (4,960 m3 cumulative) by March 31, 2007.

Completion Criteria:

- Retrieval is defined as removing the drums or boxes from the stack, making a determination as to TRU or non-TRU, performing designation, and transportation to a TSD or other compliant disposal facility. For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous..

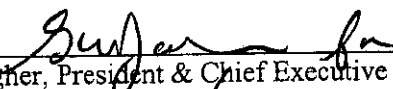
Assumptions:

- None identified.

Government Furnished Services/Items:

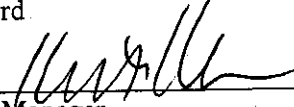
- None identified

Signatures


R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford



8/26/06
Date


K.A. Klein, Manager
Richland Operations Office



8/24/06
Date